

M E M O R A N D U M

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TO: Massachusetts Department of Energy Resources

FROM: Bethany A. Bartlett; Douglas M. Henry

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SUBJECT: Comments

Clarification of Section 14.07(2)(e)

Below is a markup of section 14.07(2)(e). We interpret Section (e) as revising the formula set forth in (d) by first deleting the last two variables (Banked Volume + Auction Volume) and then if the calculation of those remaining variables is greater than the Solar Carve-Out Program Capacity Cap ("Cap", to be announced no later than 7/31/14) then the Cap is used in place of the variables in the modified formula.

The formula calculating (d) when the calculation above exceeds the Cap becomes: Total Compliance Obligation (cy) = Cap + Banked Volume (cy-2) + Auction Volume (cy-2)

Some of the confusion is caused by the use of the terms "expected" generation and "estimated" generation in (e), which we believe should be synonymous.

We would like confirmation on the interpretation of this Section.

Clarification of the effect on Section 14.08(2) on Sections 14.07(2)(d)(e)

In Section 14.08(2), utilities are allowed to use excess credits over and above what is required for compliance in the two subsequent compliance years, subject to the limitations therein. Since in Sections 14.07(2)(d) and (e) the Banked Volume calculated pursuant to Section 14.08 is added back into the formula for calculating the Total Compliance Obligation, it appears that demand to meet the Total Compliance Obligation by the utility is not being reduced by the generation of excess credits.

We would request confirmation on the interpretation of these Sections.

plus the difference between the Solar Carve-Out Renewable Generation Attributes projected to be generated for the previous Compliance Year and the Solar Carve-Out Renewable Generation Attributes actually generated for the Compliance Year two years prior (CY-2) which is multiplied by 1.3, plus the number of Solar Carve-Out Renewable Generation Attributes from the Compliance Year two years prior banked as provided under 225 CMR 14.08(2), plus the number of Solar Carve-Out Renewable Generation Attributes from the Compliance Year two years prior deposited into the Solar Credit Clearinghouse Auction Account.

The team
$$\text{Total Compliance Obligation}_{CY} = \text{Total Compliance Obligation}_{CY-1} + [\text{Total SRECs Generated (projected)}_{CY-1} - \text{SRECs Generated (actual)}_{CY-2}] \times 1.3 + \text{Banked Volume}_{CY-2} + \text{Auction Volume}_{CY-2}$$

Cap to be announced by 7/31 then replace with estimated generation
For the purpose of the calculation in 225 CMR 14.07(2)(d), the Solar Carve-Out Renewable Generation Attributes actually generated for the Compliance Year two years prior (CY-2) shall be determined as the Attributes minted by the NEPOOL GIS in the Compliance Year two years prior (CY-2). The total Solar Carve-Out Renewable Generation Attributes projected to be generated for the previous Compliance Year (CY-1) shall be calculated by the Department as the sum of Attributes reported to the Department by the independent Third Party Meter Reader during the first two quarters of the previous Compliance Year (CY-1), and the projection by the Department of Attributes to be generated during the final two quarters of the previous Compliance Year prior (CY-1) by considering information including, but not limited to, the Commercial Operation Dates of Units that have received or have pending Statement of Qualifications. The Department shall provide documentation of its projection with its announcement of the new compliance obligation.
E estimated generation = Expected generation, use as ply in it formula above exceeds.
(e) In the calculation in 225 CMR 14.07(2)(d), in the year when the term calculated as the total compliance obligation for the previous Compliance Year (CY-1) plus the difference between the total Solar Carve-Out Renewable Generation Attributes generated for the previous Compliance Year (CY-1) and the total Solar Carve-Out Renewable Generation Attributes generated for the Compliance Year two years prior (CY-2) multiplied by 1.3, exceeds the expected generation of 400-MW the Solar Carve-Out Program Capacity Cap as determined under 225 CMR 14.07(2)(e)1&23, then this term shall be replaced by this estimated generation and the remainder of the equation shall remain the same in calculating the total compliance obligation for that year.

1. No later than August 30, 2013, the estimated capacity factor generation of 400 MW of installed Solar Carve-Out Generation Units shall be determined by the Department, in consultation with the MassCEC, utilizing the metered generation data of qualified Solar Carve-Out Renewable Generation Units to establish the most accurate capacity factor of the aggregate fleet of qualified Generation Units installed at the time of the analysis, and multiplying this capacity factor by 8760, the number of hours in a year.

2. Notwithstanding the analysis in 225 CMR 14.07(2)(e)1, the capacity factor shall not be less than 13%.